

to furnish a copy of such affidavit or statement to the Secretary and the transferee or qualified substitute fails to furnish a copy of such affidavit or statement to the Secretary at such time and in such manner as required by such regulations.”.

(2) LIABILITY.—

(A) NOTICE.—Paragraph (1) of section 1445(d) (relating to notice of false affidavit; foreign corporations) is amended to read as follows:

“(1) NOTICE OF FALSE AFFIDAVIT; FOREIGN CORPORATIONS.—If—

“(A) the transferor furnishes the transferee or qualified substitute an affidavit described in paragraph (2) of subsection (b) or a domestic corporation furnishes the transferee an affidavit described in paragraph (3) of subsection (b), and

“(B) in the case of—

“(i) any transferor’s agent—

“(I) such agent has actual knowledge that such affidavit is false, or

“(II) in the case of an affidavit described in subsection (b)(2) furnished by a corporation, such corporation is a foreign corporation, or

“(ii) any transferee’s agent or qualified substitute, such agent or substitute has actual knowledge that such affidavit is false, such agent or qualified substitute shall so notify the transferee at such time and in such manner as the Secretary shall require by regulations.”.

(B) FAILURE TO FURNISH NOTICE.—Paragraph (2) of section 1445(d) (relating to failure to furnish notice) is amended to read as follows:

“(2) FAILURE TO FURNISH NOTICE.—

“(A) IN GENERAL.—If any transferor’s agent, transferee’s agent, or qualified substitute is required by paragraph (1) to furnish notice, but fails to furnish such notice at such time or times and in such manner as may be required by regulations, such agent or substitute shall have the same duty to deduct and withhold that the transferee would have had if such agent or substitute had complied with paragraph (1).

“(B) LIABILITY LIMITED TO AMOUNT OF COMPENSATION.—An agent’s or substitute’s liability under subparagraph (A) shall be limited to the amount of compensation the agent or substitute derives from the transaction.”.

(C) CONFORMING AMENDMENT.—The heading for section 1445(d) is amended by striking “OR TRANSFEREE’S AGENTS” and inserting “, TRANSFEREE’S AGENTS, OR QUALIFIED SUBSTITUTES”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions of United States real property interests after the date of the enactment of this Act.

SEC. 11. DISCLOSURE OF PRISONER RETURN INFORMATION TO FEDERAL BUREAU OF PRISONS.

(a) IN GENERAL.—Subsection (k) of section 6103 (relating to disclosure of certain return and return information for tax administration purposes) is amended by adding at the end the following new paragraph:

“(10) DISCLOSURE OF CERTAIN RETURN INFORMATION OF PRISONERS TO FEDERAL BUREAU OF PRISONS.—

“(A) IN GENERAL.—Under such procedures as the Secretary may prescribe, the Secretary may disclose to the head of the Federal Bureau of Prisons any return information with respect to individuals incarcerated in Federal prison whom the Secretary has determined may have filed or facilitated the filing of a false return to the extent that the Secretary determines that such disclosure is necessary to permit effective Federal tax administration.

“(B) RESTRICTION ON REDISCLOSURE.—Notwithstanding subsection (n), the head of the Federal Bureau of Prisons may not disclose

any information obtained under subparagraph (A) to any person other than an officer or employee of such Bureau.

“(C) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information received under this paragraph shall be used only for purposes of and to the extent necessary in taking administrative action to prevent the filing of false and fraudulent returns, including administrative actions to address possible violations of administrative rules and regulations of the prison facility.

“(D) ANNUAL REPORT.—In each of the calendar years 2007 through 2010, the Secretary shall submit to Congress and make publicly available a report on the filing of false and fraudulent returns by individuals incarcerated in Federal and State prisons. Such report shall include statistics on the number of false and fraudulent returns associated with each Federal and State prison.

“(E) TERMINATION.—No disclosure may be made under this paragraph after December 31, 2010.”.

(b) RECORDKEEPING.—Paragraph (4) of section 6103(p) is amended by striking “(k)(8)” both places it appears and inserting “(k)(8) or (10)”.

(c) EVALUATION BY TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Paragraph (3) of section 7803(d) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “; and”, and by adding at the end the following new subparagraph:

“(C) not later than December 31, 2009, submit a written report to Congress on the implementation of section 6103(k)(10).”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to disclosures made after December 31, 2007.

(2) ANNUAL REPORT.—Section 6103(k)(10)(D) of the Internal Revenue Code of 1986 (relating to annual reports), as added by this section, shall apply to reports submitted after the date of the enactment of this Act.

SEC. 12. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.

(a) IN GENERAL.—Section 6657 (relating to bad checks) is amended—

(1) by striking “\$750” and inserting “\$1,250”, and

(2) by striking “\$15” and inserting “\$25”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to checks or money orders received after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. LEWIS) and the gentleman from Minnesota (Mr. RAMSTAD) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. LEWIS of Georgia. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of H.R. 1677 and am pleased to be a lead co-sponsor of this bill with Chairman RANGEL.

Today is the due date for Americans to file their tax returns. On this day, it is wise for the House to consider a bill to increase taxpayer protection and expand outreach efforts to millions of Americans.

Mr. Speaker, this is an important bill; this is a timely bill. The Taxpayer Protection Act is a result of a hearing held by the Oversight Subcommittee that I chair. H.R. 1677 is an important

first step in standing up, really standing up for the American taxpayer. It is a shame that people use fraudulent tax schemes to steal Social Security numbers and financial information from Americans.

This legislation protects taxpayers from misleading Web sites and identity theft. H.R. 1677 provides higher penalties for persons who use either Web site names that may be confused with the official IRS Web site or mass e-mails that appear to be from the IRS. This bill requires the IRS to notify you if your identity is stolen in a tax scam.

You should not become more vulnerable for being a responsible citizen. The Taxpayer Protection Act prohibits the IRS from providing certain information to businesses that the IRS believes make predatory loans based on tax refunds. These short-term loans often charge interest rates sometimes above 100 percent that victimize low-income workers.

H.R. 1677 will also assist with efforts to reach millions of working Americans who are eligible to claim the earned income tax credit. These taxpayers often do not take advantage of the EITC. They have a right to know of all benefits available to them. Under this bill, the IRS will expand its current outreach program to help more low-income Americans receive this tax credit, a credit which lifts millions of families out of poverty each year.

This bipartisan legislation moves us in the right direction to make tax issues simpler and clearer for the average person. We must fight poverty, fight fraud, and provide these basic protections for all Americans.

Mr. Speaker, I fully support the Taxpayer Protection Act, and I urge all of my colleagues on both sides of the aisle to vote “yes” for H.R. 1677.

Mr. Speaker, I reserve the balance of my time.

Mr. RAMSTAD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly support the Taxpayer Protection Act. This legislation is a package of commonsense reforms that passed the Ways and Means Committee by a voice vote with broad bipartisan support, and I want to take this opportunity to thank Chairman RANGEL of the full Ways and Means Committee, as well as Chairman LEWIS, the chairman of our Oversight Subcommittee, for working in a bipartisan, pragmatic and commonsense way on this legislation, and for working in a bipartisan way thus far generally in the committee. I also want to thank Ranking Member McCRERY for his leadership.

Mr. Speaker, true to its name, this bill will protect taxpayers and expand their rights. One important reform will prevent Internet domains from using the Treasury Department’s name or symbol, which is usually done to trick people into giving out sensitive personal or financial information. Clearly, this should not be allowed and should be outlawed, as this bill provides. It